



IGLO in Action

Exchange of Experiences with the Implementation of Lump Sum Projects Summary Report

Disclaimer

This report presents the main discussion points from the *IGLO in Action: Exchange of Experiences with the Implementation of Lump Sum Projects* event. The statements and findings presented are those of the individuals participating in the event and do not necessarily reflect the views of their institutions, the IGLO network or its individual Members.

This summary report is **not** an IGLO position paper or the network's official statement on lump sum funding under Horizon Europe.

The report has been compiled by [KoWi](#), [PoISCA](#), [SLORD](#) and [UKRO](#) with the support of the wider [IGLO Implementation Working Group](#).

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History of changes		
Version	Publication date	Change
1	09.06.2022	Initial version
1.1	28.06.2022	Updated list of participating institutions and represented countries

Background and objectives

With a major rollout of lump sum (LS) funding planned under Horizon Europe, it is necessary to gather more feedback from the participants in existing LS projects to feed into the Commission's planning on this matter under Horizon Europe.

The *IGLO in Action Exchange of Experiences with the Implementation of Lump Sum Projects* event was held virtually on 9 March 2022 and was organised by the IGLO Implementation Working Group with researchers/research managers and innovators from organisations participating in past and ongoing LS projects invited to discuss their experiences with the implementation of these grants.

Participants discussed various aspects of LS projects (both pre-and post-award), including proposal preparation, reporting, amendments, etc.

This report includes the main findings from the event, which will be shared with the European Commission, the European Court of Auditors, IGLO offices and other interested parties.

The IGLO Implementation Working Group will continue to engage with the stakeholders involved in LS projects and consider follow-up activities in this area.

Participants

54 participants from more than 40 organisations (universities, research organisations, companies) representing 16 countries: Belgium, Czechia, Denmark, Finland, France, Germany, Ireland, Latvia, Lithuania, Netherlands, Norway, Poland, Slovakia, Slovenia, Spain and United Kingdom.

The full list of institutions represented by the participants is available in the Annex.

Experiences with lump sum projects represented:

- Research and Innovation Actions (RIA), Innovation Actions (IA), Coordination and Support Actions (CSA), incl. European University Alliances – many of which are part of the Horizon 2020 2018-2020 Lump Sum Pilot – ERC Proof of Concept (PoC) grants, Shift2Rail Joint Undertaking projects;
- Two project coordinators;
- Experience with LS funding in proposal preparation/submission, grant agreement preparation as well as project implementation;
- Very little/no experience with reporting or amendment requests to date.

Points raised in the discussions

SUITABILITY FOR ALL PROJECT TYPES

The majority of the participants agreed that LS funding can be suitable for certain types of projects but not all of them would benefit from this approach.

Many participants stressed that LS funding is especially **suitable for mono-beneficiary projects and small consortia**. For example, all participants involved in ERC PoC grants agreed that the LS approach is suitable for this kind of project and works well (no problems with implementation and reporting). However, many participants doubted that LS funding is suitable for more complex projects (e.g. including research expeditions) or for projects with a high number of partners.

Furthermore, participants were concerned about LS suitability for projects with a focus on fundamental research and lower Technology Readiness Levels (TRL). LS funding was considered more **suitable for projects with higher TRL** and thus greater predictability (i.e. higher chances of completing the deliverables as planned).

Another factor influencing the assessment of the suitability of LS is the existence of trust between the partners. According to the participants, LS funding is more suitable **when consortium partners already know each other**. The existence of trust among partners leads to fewer concerns regarding financial liability.

Finally, participants with **clinical trials and projects where patients are involved** found LS funding more suitable than actual cost grants for their projects, as it allows them to cover cost items that are otherwise difficult to reimburse (e.g. patient fees), and the calculation of lump sums is already a common practice in this area.

SHIFT OF WORKLOAD

Many participants found that the implementation of LS projects requires a significant **shift of workload from the reporting phase (post award) to the application phase (pre award)**.

While the benefits of reduced financial reporting at the project implementation stage were clear and welcomed by all participants, most of them agreed that the effort required to prepare a proposal with LS funding is considerably higher than for actual cost projects. For example, the design of work packages and their related budget, as well as the distribution of work among the partners, must be discussed in a different and more detailed way.

Furthermore, the participants mentioned the shift of workload **from the financial department of their organisation to the researchers**. This applies to the proposal phase as well as to project implementation and reporting.

Researchers need to have more and different discussions on budget distribution at the proposal stage than for actual cost projects. During project implementation, financial departments can draw up financial reports for actual costs projects without significant input from the research team. However, with the LS approach, they cannot support the researchers in the same way because they cannot comment on the technical implementation of a project. Therefore, the burden of reporting in LS projects lies primarily with the research team.

Those shifts of workload require **considerable changes within the organisations**, as resources need to be used differently than for grants based on actual costs. Organisations need time and more experience to adapt to these changes. Furthermore, some participants were concerned that this increased workload, especially for researchers, required for proposal writing would reinforce the negative effects of the low success rates in many calls. Especially smaller institutions and companies might not be willing, or able, to invest more resources in a less certain outcome.

NO REPORTING & RECORDS NEEDED

All participants welcomed the simplification of financial reporting linked to LS funding, as well as the fact that time sheets and audit certificates will no longer be required. However, this does not necessarily lead to simplified internal procedures as most institutions continue to keep detailed cost records and timesheets for various reasons.

Many participants said that their organisations continue to ask for timesheets also on LS projects, because it is a **requirement for most other projects** funded by the European Commission and by national funders. Very often project participants work on several different projects. Therefore, a different approach to time recording - depending on the project type - is considered difficult to implement and communicate within the organisations.

Additionally, time sheets are often used for **internal purposes** such as monitoring of staff effort and attribution of the budget. The same applies to budget plans for projects which are still required by many organisations (even for smaller LS projects, such as ERC PoC), for internal cost control purposes and to ensure adherence to internal rules (e.g. for procurement).

Furthermore, some participants pointed out that keeping records of costs and personnel resources is seen by many as a useful instrument of **progress monitoring and project management**. The participants felt that it would be a challenge for project coordinators to replace these instruments with other means.

Many participants **were sceptical about no proof of expenditure or resources being required** at any point by the EC. They fear that in case of project checks, especially in case of disagreements about the project's progress, proof of costs and timesheets would still be the only way to prove their efforts. This concerns the relationship between the consortium and the Commission as well as the relationship within the consortium itself.

Furthermore, there is currently **not enough clarity** about the process of reporting and of technical audits for LS projects and how project progress can be presented and confirmed. Some participants already experienced stricter controls of deliverables in LS projects than in actual cost projects.

Some participants even described LS funding for research and innovation projects as a challenge to financial security of the organisation. There is a feeling of uncertainty about showing the financial progress of a LS project. Some participants felt that the monitoring of project progress by milestones only is not as effective as monitoring them together with project expenditure. There is more confidence in the latter because it is a tried and tested method in all projects so far.

A DIFFERENT PROJECT DESIGN

One of the main issues raised during the discussions was the effect the use of LS funding has on the design of the project plan, in particular on the work package structure. Participants stated that their LS projects have a **higher number of work packages, which tend to be smaller**. This requires more resources for coordination compared to projects with actual cost reimbursement. Furthermore, the special conditions of the LS funding approach often resulted in a rather **artificial structure** of work packages that does not fully correspond to the actual workflow of the project.

One of the reasons given for this was the beneficiaries' **need for reliable cash flows**. As payments in LS projects are only made when a whole work package is completed, the cash flow can be negatively affected compared to actual cost projects. For this reason, participants often adapted their projects to ensure regular interim payments, for example, by splitting project-long work packages such as coordination into smaller ones.

The second main factor influencing the structure of work packages is the perceived **joint financial liability for unfinished work** if several partners are responsible for a single work package. Many participants stated that this is perceived as a risk. To minimise this risk, consortia in many LS projects create more and smaller work packages with fewer partners involved; sometimes work packages have only one beneficiary. Some participants have noted that this allocation is only done on paper, however, and that the actual work is done differently.

Most participants agreed that there is also a need for a **different approach to deliverables** in LS projects as they are the basis to measure the completion of the project activities and therefore for project payments. However, there is still a great deal of uncertainty among participants, especially among those with CSAs, on how to approach the new way of designing deliverables and how to help researchers understand it.

Due to the nature of research and innovation projects, the project work plan often has to be adjusted during the lifetime of the project. Many participants said that they experienced **less flexibility** for this on their LS projects than in actual cost projects. Many participants reported the **need for more amendments to the grant agreement** during the project implementation to reflect changes in the work plan, which might not have been necessary in actual cost projects. Some participants also mentioned that there have been problems with the EC Project Officers regarding amendments. In general, there was a very strong wish for an improved approach to amendments on LS projects, more comprehensive guidance by the EC and a more uniform and reliable approach by the Project Officers.

A DIFFERENT CONSORTIUM

There are different opinions among the participants as to how the LS funding approach influences the building of consortia and their internal structure.

Many participants see a **stronger interdependency of partners** within the LS projects and therefore see **trust as a more important criterion when choosing consortium partners** compared to actual cost projects. They observed a stronger tendency to build a consortium with partners that the researchers already know from previous collaborations.

As a result, there might be less incentive to expand already established networks and collaborate with new partners on LS projects. Some participants even fear that this will put institutions from the so-called 'Widening countries' and newcomers in general at a disadvantage, putting at risk the EC's efforts to improve the programme's inclusiveness.

According to the participants, the stronger interdependency of the consortium members also leads to **new challenges for drawing up consortium agreements**. Additional internal arrangements had to be introduced to avoid situations where one partner's underperformance could lead to (financial) disadvantage for the others. The model consortium agreements and EC guidelines currently available do not sufficiently address the liability and budget control issues of LS projects. In some cases, the pre-financing was also relatively high and made special arrangements necessary.

Many participants stressed that the LS funding model reinforces the **role of project coordinators**. Participants noted that the work of coordinators becomes more important and that consortia need stronger coordination. This makes the role of project coordinators more attractive to some organisations but also discourages others. There is a certain risk that, in particular for smaller institutions with no dedicated administrative departments, coordination could become too challenging.

MORE INFORMATION / ADVICE NEEDED

At the time of the workshop, many implementation aspects of the LS approach were still unclear. The EC has addressed some of these in the meantime, but others remain unresolved.

During the workshop, the participants stressed the **need for detailed information and advice for the proposal preparation stage as well as the project implementation phase**. This primarily concerns the provision of correct information and advice by the EC to applicants and beneficiaries.

During the application phase, one point of criticism from the participants was that, in the past, not all documents required for the submission were always available, although this problem has been addressed by the EC in the meantime. Nevertheless, most of the participants stressed that there is a need for further information and advice for applicants from the EC beyond this, including more detailed guidance documents, best practice examples and specialist training. The participants specifically asked for **guidance on designing the work package structure, as well as for examples of how to calculate costs and draft LS-specific Gantt charts**. The budget calculation sheet provided by the EC is much appreciated but needs further improvements, such as, for example, more options and room for justification for consumables.

Some participants reported that during their grant preparation phase, the EC unjustifiably questioned the accuracy of their costs and therefore cut their budget. This concerned, in particular, the country-specific personnel costs in the first calls for proposals of the Horizon 2020 Lump Sum Pilot. However, the EC commented on this during the workshop, stressing that this issue has been addressed and that a dedicated personnel costs dashboard is being prepared to provide reviewers and EC staff involved with up-to-date data from all countries.

Participants also stressed that **consortium agreements for LS projects** must contain special provisions to take into account the specific nature of LS funding. They stated that guidelines on how to draw up such a consortium agreement are required and that a special LS version of the DESCA Model Consortium Agreement would be very helpful.

For the grant implementation phase, participants particularly wished for **more guidance and information regarding the completion of work packages**. They stated that it would be helpful if the EC could provide interim feedback during the project, on the status of the completion of the work packages. In addition, it did not seem sufficiently clear to the participants how the completion of a work package is assessed and what proof is required for this, although they felt that this information would be required to be prepared for audits. Finally, many participants considered the conditions for payment of an incomplete work package - as currently defined in the Model Grant Agreement - to be insufficient and unclear.

Based on the participants' observations, it seems that it is still too early for a final assessment of the LS approach. The main concern many of the participants expressed is in part due to the novelty of this approach and the lack of experience with full project cycle.

Most participants are aware of the potential risks and agreed that beneficiaries need to successfully complete their first reporting period and their first audit to be confident about the new rules.

Annex: Participating organisations

- Åbo Akademi University, Finland
- Adam Mickiewicz University, Poland
- Alfred Wegener Institute for Polar and Marine Research, Germany
- AMIRES, Czechia
- Chip Nanomaging AS, Norway
- Erasmus Medical Center, Netherlands
- Fundación TECNALIA Research & Innovation, Spain
- FundingBox Accelerator Sp. z o.o., Poland
- German Aerospace Center (DLR), Germany
- German Cancer Research Center (DKFZ), Germany
- Ghent University, Belgium
- Helmholtz Centre for Infection Research, Germany
- Johannes Gutenberg University Mainz, Germany
- Karlsruhe Institute of Technology, Germany
- KU Leuven, Belgium
- La Rochelle Université, France
- Latvian Council of Science, Latvia
- Leiden University, Netherlands
- London School of Hygiene and Tropical Medicine, United Kingdom
- Nicolaus Copernicus University, Poland
- Poznan University of Technology, Poland
- Silesian University of Technology, Poland
- SINTEF AS, Norway
- Slovak University of Agriculture in Nitra, Slovakia
- St George's, University of London, United Kingdom
- State Research Institute Centre for Innovative Medicine, Lithuania
- Trinity College Dublin, Ireland
- TU Delft, Netherlands
- UCLouvain, Belgium
- Université Libre de Bruxelles, Belgium
- University of Copenhagen (Niels Bohr Institute), Denmark
- University of Exeter, United Kingdom
- University of Latvia, Latvia
- University of Latvia, Council of Rectors of Latvia, Latvia
- University of Liège, Belgium
- University of Ljubljana, Slovenia
- University of Tübingen (Faculty of Medicine), Germany
- University of Twente, Netherlands
- University of Warsaw, Poland
- Utrecht University, Netherlands
- Vall d'Hebron Institute of Oncology, Spain
- Vlaams Instituut voor Biotechnologie (VIB VZW), Belgium
- Warsaw University of Life Sciences, Poland